

JOINT STATUS REPORT

July 18, 2019

VIA ECF

Chief Magistrate Judge Roanne L. Mann
United States District Court for the
Eastern District of New York
225 Cadman Plaza East
Brooklyn, New York 11201

Re: Wells Fargo Bank, N.A. et ano. v. Acropolis Gardens Realty Corp., et al.,
Case No. 18-cv-5498-WFK-RLM

Dear Chief Magistrate Judge Mann:

We write jointly to report on the status of settlement negotiations, as directed by Your Honor on July 11, 2019.

With the continuing help of mediator Ira Herman, we are moving forward toward resolving several substantive issues that are important to the many stakeholders. However, there remain significant issues outstanding. These issues include:

- the terms of the condominium estoppel as to past common charges;
- the terms of the subordination of the contemplated junior loan;
- the scope, timing, and reserves for capital expenditures; and
- borrower's proposal for resolution of liens and outstanding utilities bills.

Lender is preparing an updated bring-current statement, and expects to provide it in the next few days. Lender is also preparing and will provide an accounting of all escrow/reserve accounts. Lender is still reviewing the EBI report as to immediate repairs and capital expenditures at the subject property, and the parties expect to discuss this topic once that review has concluded. The EBI report is an important issue as it involves a significant amount of money. Lender has not yet furnished further legal documents (or revisions to documents it has received from defendants), but has said it will do so after resolution of the issues above. These outstanding legal documents include: reinstatement documents, second mortgage loan documents, and an intercreditor agreement.

All of the above items have been repeatedly discussed since the July 11th settlement conference before Your Honor, including on a conference call conducted by Mr. Herman this morning.

We appreciate Your Honor's efforts to encourage settlement of this litigation, and will report back further to Your Honor by August 1, 2019.

Joint Status Report to Chief Magistrate Judge Mann

Page 2

July 18, 2019

Very truly yours,

/s/ Amy E. Hatch

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cc: All counsel of record (via ECF)